

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

serve
4321.9
R31

family economics. review

Consumer and Food Economics Research Division
Agricultural Research Service

UNITED STATES DEPARTMENT OF AGRICULTURE

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY
RECEIVED

JUL 24 1972

PROCUREMENT SECTION
CURRENT SERIAL RECORDS

- ✓ 3 Unit Pricing and Open Dating - Eileen F. Taylor
- 6 Federal Trade Commission Guide on Use of the Word Free
- ✓ 7 Enrichment Facts for the Consumer - Patricia M. Thomas
- ✓ 8 National Data Center for Food Composition
- ✓ 9 Characteristics of Persons of Spanish Origin
- 10 Household Food Spending Affects Diet Adequacy - Constance Ward
- 13 Pension Coverage Among Men and Women
- 16 Use of Bank Credit Cards Grows
- 16 The Cost of Tariffs to Consumers
- 17 Price Index and Median Sales Price for New Homes
- 18 Some New USDA Publications
- 19 Cost of Food at Home
- 20 Consumer Prices

Family Economics Review is a quarterly report on research of the Consumer and Food Economics Research Division and on information from other sources relating to economic aspects of family living. It is prepared primarily for home economics agents and home economics specialists of the Cooperative Extension Service.

Consumer and Food Economics Research Division
Agricultural Research Service
U.S. Department of Agriculture
Federal Center Building No. 1
Hyattsville, Md. 20782

UNIT PRICING AND OPEN DATING^{1/}

Unit pricing. --While a few co-op organizations have offered some form of unit pricing for years, only in the last two years has the practice become widespread. According to the National Association of Food Chains, over 100 retail food chains now have unit pricing systems. These companies represent a significant share of food marketing, and their stores are located in major population areas. In most principal cities, unit pricing is available to the shopper who wants it.

Several chain organizations tested one or more methods of unit pricing before selecting one to introduce on a large scale. Generally speaking, some type of shelf tag is now in use by most companies. Many use computer-printed labels that stick smoothly to the shelf edge. Others use more colorful machine-printed tags.

The primary purpose of unit pricing is to help shoppers find the best buy, at least as far as the price factor is concerned. A survey of shoppers in New York stores immediately after the city's dual pricing law took effect found that 70 percent of the shoppers interviewed were aware of the system, 43 percent fully understood it, and 18 percent said they had used it. It could be most helpful to shoppers whose financial resources are limited, but most of the studies done so far seem to indicate that there is more use of unit pricing among shoppers at higher income or educational levels or both. A study in six stores in Toledo, Ohio, however, indicated that while disadvantaged groups are least likely to understand unit pricing, they may use it most when they understand it.

While shoppers do not seem to be stampeding to stores that offer unit pricing, or even making use of it regularly when it is available, its importance as a potential shopping aid should not be underestimated. For most shoppers, price is only one factor to be considered in a buying decision; for others, price may be the dominant factor. For still others, the total cost of the item may be the only important factor--a 3 pound can of coffee may be a better buy than a 1- or 2-pound can in terms of cost per pound--but the total cost may be too high for a limited budget to cover. But the fact that price comparisons can be made is important. When the shopper has an option among sizes and brands, she has the unit price available to assist in making a choice.

The ease with which customers can make price comparisons among brands or sizes may depend somewhat on how products are grouped on the shelf. The computer-printed labels now being used in many stores may make unit pricing a fairly simple task from the store operator's viewpoint. From a customer's viewpoint, however, reading it may not be so simple. A bright, bold lettered tag may make unit pricing easier for consumers to use than the computer-printed labels. According to a spokesman for a company now testing different tags, time--not necessarily cost--is the big problem with the more colorful tags. Price changes and new tags can be made rapidly when they come directly from the company's computer. Substantial delays may be encountered when an outside firm must receive price data, print tags, and return them to the chain.

^{1/} Talk given by Eileen F. Taylor, Economic Research Service, USDA, at the 1972 National Agricultural Outlook Conference, Washington, D.C., February 23, 1972.

It does cost a store something to install and maintain unit pricing. Per store estimates range from next to nothing to over \$2,000 a year. In fact, the costs probably do vary. They may be offset to some extent by savings due to better inventory control. Also, if consumers like having unit pricing, some of the cost must be measured against consumer satisfaction. A store that does not have access to a computer would find the time, labor, and equipment cost of installing unit pricing prohibitive. Most of the legislation introduced so far at both Federal and State levels has recognized this fact and provided exemptions for smaller store operations.

Open dating. --The phrase open dating generally refers to any date on a packaged food product that can be read and understood by the shopper. The date may be shown alpha-numerically--FEB 23, or in numbers only--2-23, or 0223. It may or may not include the year and if it does, 1972 may be designated only as a 2. The date may represent any one of the following:

- (1) Pack date--the date of manufacturing or processing or final packaging.
- (2) Pull date--the last day a retail store may offer the food for sale. The date is designed to allow the consumer a reasonable amount of time to store and use the product at home, even if she bought it on the pull date.
- (3) Quality assurance or freshness date--until the date shown, the product will be of the same quality as when it left the processing plant.
- (4) Expiration date--this generally means, "Do not use after date shown," and is the most difficult date of all to determine. With the possible exception of yeast and yeast products, it is almost impossible to tell when a product will not live up to your expectations.

The opposite of open dating is code dating. Most food packages are coded and some of the codes are exercises in ingenuity. Letters, numbers, or symbols--or combinations of all three--have been used to put information on food packages. Techniques vary among processors but many of the codes do include a production date, the last day of sale, or suggested shelf life.

The USDA has been gathering information on the need for, and the economic feasibility of, food-product dating. In the spring of 1971, shoppers were interviewed at 18 stores of a Chicago food chain where open dates had been used for several months on over 100 products. Generally, the alpha-numeric dating system was being used--that is, FEB 23--which represented the last day the store might sell the product, while allowing for reasonable life at home. Introduction of open dating in these stores was accompanied by newspaper ads and in-store posters explaining the meaning of the date. In addition, code books were provided at the service desk of each store to give code explanations for those products that were not open dated.

Slightly more than half of the 1,700 shoppers contacted said they were aware of the chain's open-dating program. Of the 429 shoppers interviewed in depth, about two-thirds said that they had used the date information at least once. Five item groups

(bread, milk, refrigerated dough products, other dairy products, and eggs) accounted for 70 percent of all uses of the open dates.

When shoppers were asked what the date told them about a product, their answers varied widely. Only 20 percent correctly interpreted the date as the last day of sale. Forty-five percent said the date represented some time in the past--for example, date of manufacture, packaging, delivery, or display. Twenty-two percent said that the date indicated the end of the product's usable life--a misinterpretation that could lead to a lot of perfectly good food being wasted if consumers followed through on it. Perhaps the most important group of answers came from 38 percent of the shoppers--they said quite simply that the date tells either how fresh an item is or just that it is fresh.

From the variety of answers given and the frequency of answers involving past dates, obviously shoppers do not look carefully at the dates on the items they purchase. The shoppers' lack of concern about the precise meaning of codes or dates was confirmed by their lack of interest in the code book. Only nine of the 429 women interviewed in depth had ever used the code book.

If a shopper mentioned having used date information for a specific time, she was asked specific questions about it. Only for refrigerated dough products was there any substantial agreement among shoppers as to the meaning of the date. These products, unlike most of those included in the open-dating program, have been marked with a readable date for years. For most items, the manufacturer has also included some storage instructions and a statement that, for best results, the item should be used before the date shown. Two-thirds of the shoppers who said that they had used date information for refrigerated dough products said that the date represented the last day the item should be used. This was the single most frequent answer given for any product. As far as influencing their use of an item, many shoppers said that the date had no influence at all.

The possibility of increased costs of doing business--increases that might be passed on to consumers--has been a major objection to open dating. The USDA obtained information on the cost of open dating by studying an experiment of a chain in Ohio. Seven test stores and two control stores participated in the open-dating test. Both pull and pack dates were used. Recordkeeping for open-dated items was initiated about a month before open dating was introduced and continued on a daily basis for another 8 weeks.

Preliminary analysis of the data from the four product groups--meat, produce, dairy, and bakery--shows that the introduction of open dating did not increase the amount of loss in the test stores. In fact, in all nine stores, product losses (as a percentage of gross sales) declined during the 4-week pretest period and continued to decline when open dating was introduced during the fifth week. Losses continued a downward trend and did not return to pretest levels during the study. This downward trend was evident not only in the stores where open dating was introduced but also in the two where there was no open dating.

Some of the reduction in loss in all stores may have been due to more efficient practices encouraged by the recordkeeping--a byproduct of the open-dating experiment. What is important is that the introduction of open dating did not increase losses. Instead of costing the store money, the open-dating experiment, and the recordkeeping it necessitated, decreased losses. Unlike unit pricing, there are no maintenance costs

to open dating. Unless customers buy selectively--and there is no evidence of that as yet--only start-up or changeover costs are a factor. Readable dates simplify and encourage good stock rotation and this in turn helps the store by minimizing markdowns and product waste. Apparently, the company involved in the study is convinced that open dating will be an asset to it. Since the end of the experiment, this company has announced that open dates will be used on all its manufactured private label products.

Federal legislation requiring pull dates was introduced in the second session of the 91st Congress, and more than 30 bills requiring some type of dating are pending in State legislatures. If all of these were to be enacted--and admittedly, that is highly unlikely--conflicting rules would be in effect, even in neighboring States.

From the consumer's viewpoint, having an open date on a product may be helpful, particularly for home storage and use; simply having a date, regardless of the type used, may be an assurance of quality. As one industry spokesman commented, it is one way of letting the shopper know that the retailer or processor has nothing to hide.

FEDERAL TRADE COMMISSION GUIDE ON USE OF THE WORD FREE

An FTC Guide on the word "free" went into effect December 16, 1971. The guide applies to all offers of free merchandise and services including such terms as "buy 1 and get 1 free," "2-for-1 sale," "50% off with purchase of 2," "1-cent sale," and "gift" or "bonus."

A free offer is based on a "regular price" for the article or service that must be purchased to receive the free one. Regular price means the price that the seller or advertiser has charged for the same quantity and quality and for the same service in the local area during the last 30 days. A free offer would be improper for a product or service for which the price or quantity is determined through bargaining.

All terms, conditions, and obligations connected with the free offer must be clearly disclosed at the beginning of the offer and in close conjunction with it. In an advertisement, a footnote disclosing the conditions would not be considered adequate. When notice of a free offer appears on the main panel of a package or label, the terms may be given elsewhere on the package provided the customer is informed of the location and no purchase is required to find out the terms of the offer. If a free offer is not available in all areas covered by an advertisement, the advertisement must identify those areas.

A single size of a product or a single kind of a service should not be advertised with a free offer for more than 6 months of any 12-month period. In addition, such offers are limited to three per year with a lapse of at least 30 days between such promotions. In introductory offers, free offers are permitted only if the seller expects to discontinue the offer after a limited time and to sell the product or service separately at the same price at which it was promoted with the free offer.

ENRICHMENT FACTS FOR THE CONSUMER

Families are not doing as much of their own baking as they once did. Today, less flour is being purchased and used in the home while more and more baked products, such as cookies and crackers, are being bought. More than 97 percent of all U.S. families are regular buyers of cookies and crackers and large quantities of these products are being consumed by persons in all income levels.^{1/}

Factors such as these have prompted the surveying of a limited sample of the retail market's cookie and cracker products for enrichment. The ingredient list on the labels of cookies and crackers (as well as a selected number of mixes, such as cake, brownie, gingerbread, and fruit and nut bread) was checked to see if these products (1) were made with enriched flour, (2) had added vitamins and minerals, or (3) were made with a whole grain flour or meal as the only flour or meal. Enriched flour has the nutrients thiamin, riboflavin, niacin, and iron (calcium is optional) added to the flour in levels found in the original whole grain before milling.

In August 1970 two large supermarkets in the Washington, D.C., metropolitan area were surveyed, and labels were checked for the enrichment of cookies and crackers.

None of the 116 different kinds or brands or both of cookie items were made with enriched flour (or had added vitamins and minerals) or were made with a whole grain flour or meal as the only flour or meal. Of 45 different kinds or brands or both of crackers, two kinds (4 percent) were made with enriched flour while only one (2 percent) was made with whole wheat flour as the only flour.

A similar survey conducted in December 1971 in five supermarkets, also in the Washington, D.C., metropolitan area, showed a marked increase in the number of cookie and cracker products made with enriched flour. Of 360 different kinds or brands or both of cookies, 149 (41 percent) listed enriched flour. From the cracker counter, 77 (58 percent) of the 132 different kinds or brands or both of cracker products were made with enriched flour. Another 5 percent claimed that the cracker products were made with a whole grain flour as the only flour. The findings clearly demonstrate how the enrichment of cookie and cracker products has zoomed in just a year's period.

Enrichment has not been limited to cookie and cracker products. Based upon previous findings, all cake mixes reported in the USDA's 1965 Household Food Consumption Survey were classified as unenriched. In contrast, 49 (slightly less than half) of the 101 labels of different kinds or brands or both of cake mixes observed in December 1971 in Washington, D.C., showed enriched flour as an ingredient. Approximately three-fourths of all the different ingredient clauses read on mixes, such as brownie, gingerbread, and fruit and nut bread, listed enriched flour.

Two in three of the nationwide brands appeared to be using enriched flour in such products as cookies, crackers, cake mixes, gingerbread mixes, and fruit and nut bread mixes in December 1971.

^{1/} Obright, Russ, Cookie, Cracker Programs are Directed to Consumer and Environmental Activities, Candy and Snack Industry 136 (13): 26, 28, 48. December 1971.

Credit must be given to the Biscuit and Cracker Manufacturers' Association that was responsible in October 1970 for launching a nationwide cookie and cracker enrichment program. It recommended to the association's U.S. bakery members to begin using enriched flour (or its equivalent in enrichment tablets) in all wheat-based products. The association has reported currently that under its voluntary enrichment program, "Over 90 percent of the industry's products are now being enriched, increasing their nutritional value with substantial amounts of thiamin, riboflavin, niacin, and iron." (See reference in footnote 1.)

Nutritionally speaking, a product that is enriched is a better buy than the same product not enriched because you get more nutrients per dollar in the enriched product. Also, the consumption of enriched products rather than unenriched ones would be expected to have a favorable effect toward the improvement of dietary intakes.

Consumers should be informed on the latest enrichment trends and encouraged to read the label--especially the ingredient clause--looking for the words "enriched flour" or "made with a whole grain flour."

--Patricia M. Thomas

NATIONAL DATA CENTER FOR FOOD COMPOSITION

USDA has announced plans for a nutrient data bank. The proposed National Data Center for Food Composition, a product of industry-government cooperation, will provide information for nutritional labeling programs. USDA's publication Composition of Foods, ^{1/} which gives the nutrient composition of more than 2,500 food items, will form the nucleus of the data bank. Information stored here will be expanded and updated continually as new data become available. Food composition data will be given for raw products, fresh or processed food available in consumer markets, and food prepared for eating. The ultimate aim is to include food values by variety, breed of plant, stage of maturity, growing season, and geographic location. Hopefully, the nutrient information will form the beginning of a universal coding system that may be used in evaluating food consumption for its nutritional quality.

^{1/} U.S. Dept. of Agriculture, Agricultural Research Service, Composition of Foods, Agriculture Handbook No. 8, Revised December 1963.

CHARACTERISTICS OF PERSONS OF SPANISH ORIGIN

Population. --In the U.S. population in March 1971, about 9 million persons (4.4 percent of the population) were of Spanish origin. Of these, 5 million were of Mexican origin and 1 1/2 million were of Puerto Rican origin. Families of Spanish origin were generally larger and younger than those of the general population. About 72 percent of families of Spanish origin, 61 percent of black families, and 55 percent of all families had children under 18. Twenty percent of the families of Spanish origin had four or more children compared with 17 percent of black families, and 9 percent of all families. Because of the large number of children in the population of Spanish origin, the median age of this group was lower (20.3) than that for blacks (21.3) or for the population in general (27.7).

Income. --The median family income in 1970 for families of Spanish origin was lower (\$7,334) than the median income for all families (\$9,867), but higher than that for black families (\$6,279). One in every four persons of Spanish origin was below the low-income level in 1970^{1/} compared with one in eight in the general population and one in three in the black population. Persons of Spanish origin made up about 9 percent of all persons classified as low income.

Employment. --Employment of men of Spanish origin by major occupation group was similar to that of black men. About 58 percent were employed in blue-collar occupations, 23 percent in white-collar occupations, and 5 percent as farmworkers. Both groups were much less likely to be employed in white-collar occupations than men in the general population.

Education. --Among persons 25 to 29 years old, high school graduation was less common among persons of Spanish origin than among blacks or the general population--48 percent of persons of Spanish origin had graduated from high school compared with 58 percent of blacks and 77 percent of the total population.

^{1/} A measure of income needed to provide families differing in size, composition, and place of residence, a minimum adequate level of living. The term low-income level is identical with the term poverty level as previously used by the Bureau of the Census.

Source: U. S. Department of Commerce, Bureau of the Census. Population Characteristics, Series P-20, No. 224. October 1971.

HOUSEHOLD FOOD SPENDING AFFECTS DIET ADEQUACY

The amount of money allocated to food has an influence on the adequacy of household diets. Among households studied in the Department's 1965-66 nationwide survey of food consumption, ^{1/} differences in quantities of food consumed by the household and dietary adequacy provided by this food were related to variations in the money value of food used at home in a week.

The value of food used at home includes the value of purchased food as well as the retail value of food produced at home or received as gift or pay (including Federally donated food). The number of people eating from household supplies obviously influences the adequacy of diets at each level of total value. Therefore, money value per person--based on the rate of 21 meals in a week from home food supplies--is used in this article.

The average money value of food used at home by U. S. households in the 1964-65 survey year was \$28.70 or \$8.80 per person in a week. Seventy percent of the households used food with a money value between \$5 and \$12 per person. Less than one-tenth of the households used food worth less than \$5 and one-fifth used food worth more than \$12.

Households using food at lower money value levels were larger and had lower incomes than families using food at higher levels (see table). Almost a third of the meals served in households using food worth \$3 to \$5 went to children under 9 years old. At each successively higher level, a smaller proportion of meals was served to this age group and a larger proportion was served to adults. The differences in size and composition of households at each money value level reflect in part the food cost advantages associated with feeding more persons and with feeding young children whose food needs can be met at lower cost than those of adults.

Food use. --Larger quantities per person of almost every food group were used at each successively higher money value level. The exceptions were the flour and cereals group and dried vegetables and fruits.

The food dollar was divided differently by households at the various money value levels. At each successively higher level, a smaller proportion of the dollar was allocated to milk and milk products, fats and oils, flour and cereals, bakery products, eggs, and sugar and sweets; a larger share went for meat, fresh fruit, and beverages. The proportion going to poultry, fish, potatoes, fresh vegetables, soups and mixtures, and nuts and miscellaneous foods showed little variation with money value level.

Nutrient levels and diet adequacy. --The food used at money value levels above \$5 per person, on the average, was sufficient to provide diets that met the Recommended Dietary Allowances set in 1963 by the National Academy of Sciences-National Research

^{1/} The money value levels developed from the 1965-66 survey would be higher today because of rises in food costs and in incomes. More recent data are not available, however, and the comparisons presented on consumption of families using food at relatively high and low money value provide background information useful to leaders working with families.

Meals served to household members by money value of food, 1965-66

Meals served to household members, household size, and income	Money value of food at home per person in a week					
	\$3.00-\$4.99	\$5.00-\$6.99	\$7.00-\$8.99	\$9.00-\$11.99	\$12.00-\$15.99	\$16.00-\$19.99
All meals served----- (percent)	100.0	100.0	100.0	100.0	100.0	100.0
Meals served to:						
Men						
20-54 years-----	13.1	15.6	18.0	19.4	21.0	21.3
55 years and over-----	5.1	6.2	7.5	9.3	10.6	13.5
Women						
20-54 years-----	17.6	19.0	22.0	24.4	26.1	28.9
55 years and over-----	8.7	9.3	9.3	10.5	12.3	14.4
Boys 9-19 years-----	11.6	10.1	10.4	10.6	9.7	9.6
Girls 9-19 years-----	12.3	10.6	10.6	9.4	9.3	6.4
Children under 9 years-----	31.6	29.0	21.9	16.4	10.9	6.0
Average household size-(persons)	4.30	3.88	3.45	2.99	2.59	2.16
Median income----- (dollars)	3,250	4,930	5,710	6,300	6,840	7,270

Note: Parts may not add to totals because of rounding.

Source: Household Food Consumption Survey, 1965-66.

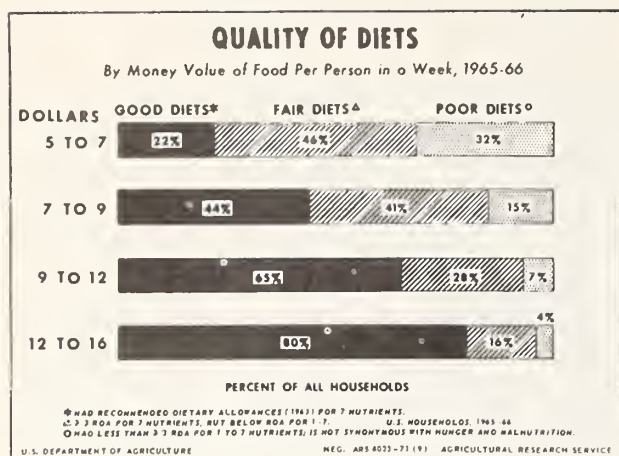


Figure 1

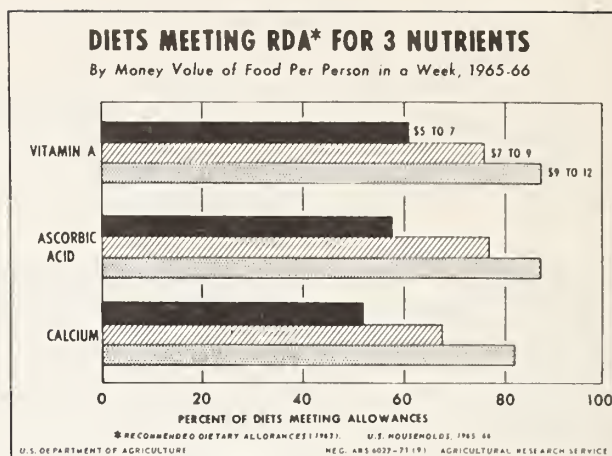


Figure 2

Council for the minerals--calcium and iron; the vitamins--vitamin A value, thiamin, riboflavin, and ascorbic acid; and for food energy and protein. Households at each money value level were supplied larger amounts of these nutrients than the households at the level just below. While diets at the \$5 to \$7 level furnished less food energy than recommended, they met requirements for the other nutrients studied. Households using food worth less than \$5 per person had diets with average supplies of nutrients below allowances for all nutrients except iron.

Averages, however, cannot summarize the household dietary situation adequately. Even though nutrient averages were sufficient to meet recommended allowances at most money value levels, diets of some individual households at each money value level did not meet recommendations for one or more nutrients. Households at higher money value levels were more likely to have good diets--diets meeting allowances--than those at lower money value levels, but high expenditure per person did not always insure good diets. Twenty percent of the households using food worth as much as \$12 to \$16 per person in a week had diets furnishing less than recommended amounts of one or more nutrients. In fact, 4 percent of these were poor diets--diets providing less than two-thirds of the allowances in at least one nutrient (fig. 1).

Diets were most often short in calcium, vitamin A value, and ascorbic acid. At each successively higher money value level, however, more household diets met the requirements for these nutrients (fig. 2). Households at the higher money value levels used larger quantities of most foods including milk and milk products, vegetables, and fruits that furnish substantial amounts of these nutrients.

--Constance Ward

PENSION COVERAGE AMONG MEN AND WOMEN

While the monthly social security retirement check is a basic source of income for most retired workers, many persons in the work force today are also covered by second pension plans, which they hope will provide additional income after retirement. Unskilled and semiskilled workers in the construction and trade and service industries with low earnings and with careers characterized by shorter job tenure (categories that include many women) are less likely to have this additional coverage than skilled workers with high pay, recent employment, and long tenure. Also, lower paid workers are frequently entitled to only a minimum or a very low social security retirement benefit, while the more highly paid workers are eligible, generally, for higher social security benefits. The lack of access of unskilled workers to a second pension after retirement thus serves to widen the gap in retirement income among beneficiaries today.

A survey by the Social Security Administration of persons newly entitled to social security benefits during the 24 months before July 1970 indicates the extent of pension coverage and pension receipt among workers with different job patterns and between men and women.

Second Pension From Most Recent Job

About 35 percent of the 2.3 million persons newly entitled to social security benefits were either receiving or expecting to receive a second pension from their most recent job. For more than two-thirds of these beneficiaries the second pension was from private industry. The remaining one-third were receiving or expecting to receive a public pension--usually from a State or local government retirement system. (Unlike many State and local government employees, Federal Government workers are not covered by social security and are not included in these figures unless they had acquired social security coverage on a previous job.)

More men than women were receiving or expecting to receive a second pension (42 and 26 percent, respectively). About the same proportion of men and women had pension rights if their most recent job was in public or government employment. However, among beneficiaries whose most recent job was in private employment, men were about twice as likely as women to have pension rights.

Second Pension From Longest Job

Obtaining a second pension depends on being in a job where a pension plan is in operation, on qualifying for coverage under such a plan, and then meeting eligibility requirements for retirement without loss of pension coverage. Persons newly entitled to receive social security benefits during the 18 months before January 1970 were asked about pension coverage on their longest job. Not all reporting pension coverage were expecting to receive this pension; one in 12 men and one in six women reporting pension coverage said they would not receive a benefit.

Beneficiaries whose longest job was also the most recent job were more likely to be covered by a second pension than those whose longest job ended sometime in the

past (40 and 22 percent, respectively). For two-thirds of the beneficiaries, the longest job was this most recent job.

Duration of longest job. --Pension coverage was concentrated among beneficiaries with long years of service--partly because they were more likely to have been employed in an industry or occupation with high rates of pension coverage and with low rates of turnover. Forty-six percent of the men in private employment had worked 25 years or more on their longest job. More than two-thirds (70 percent) were covered by pension plans. The percentage of women with service of 25 years or more was much smaller. Of the 17 percent who had worked that long, only half were covered by pension plans. In government employment, however, 44 percent of the men and 29 percent of the women had 25 years or more of service and most of them--90 percent--were covered by pension plans.

Men and women who had less than 10 years of employment on their longest job were not likely to be covered, but this fact was of little significance for men because most of them had longer service. More than one-fifth of the women whose longest job was in private employment, however, had between 5 and 10 years of service and only 7 percent were covered by a pension. Pension coverage was higher among women with similar amounts of service in public employment--half of these women were covered.

Coverage by industry and occupation. --Beneficiaries whose longest job was in an industry in which job changes were infrequent and turnover was low were likely to have pension coverage. Coverage was highest in manufacturing, transportation and public utilities, and finance; it was lowest in mining and construction, wholesale and retail trade, and business and repair services. Few men or women in forestry, fisheries, and agriculture were covered by pension plans. Coverage rates were much higher for men than for women in most industries as the following table shows:

<u>Industry of longest job</u>	<u>Percent of employees with pension coverage</u>	
	<u>Men</u>	<u>Women</u>
Forestry, fisheries, and agriculture---	5	1
Mining and construction-----	40	21
Manufacturing-----	64	31
Transportation and public utilities-----	77	60
Wholesale and retail trade-----	29	15
Finance, insurance, and real estate----	62	38
Business and repair services-----	32	15

Some of the industries where coverage ratios were highest did not employ large numbers of workers. Men were more likely to be working in industries with high rates of pension coverage while women workers were concentrated in those industries with

low rates of coverage. Two-fifths of the men whose longest job was in private industry worked in manufacturing, but more than half of the women worked in the trade and service industries--industries with low coverage. Transportation and public utilities, with the highest rate of coverage for women, employed only 4 percent of the women.

Men and women in each occupational group were more likely to have pension coverage if their longest job had been in public employment than in private industry. Professional and technical workers (private and public) were more often covered by pension plans than other workers. In private industry men who were laborers and foremen and women who were service and household workers were least likely to have pension coverage.

<u>Occupation of longest job</u>	<u>Percent of employees with pension coverage</u>			
	<u>Men</u>		<u>Women</u>	
	<u>Private</u>	<u>Public</u>	<u>Private</u>	<u>Public</u>
Professional and technical workers--	65	92	40	80
Managers and officials-----	52	85	29	70
Clerical and sales workers-----	50	88	28	75
Craftsmen-----	58	86	32	1/
Operatives-----	55	76	26	53
Service and household workers-----	36	81	7	49
Laborers and foremen-----	31	55	15	1/

1/ Not shown because of small number reporting.

Annual earnings. --Beneficiaries with low annual earnings on their longest jobs were less likely to have pension coverage. Only 14 percent of the men with earnings under \$4,000 were covered by pension plans compared with more than three-fourths of those with earnings of \$8,000 or more. Among men who were not covered by a pension on their longest job, 63 percent earned less than \$6,000. Women with pension coverage had earnings that were two to three times as large as those without coverage--\$5,070 compared with \$2,520 for those whose job had been in private industry, and \$6,830 compared with \$2,160 for those in government employment.

Sources: Bixby, Lenore E. and Virginia Reno. Second Pensions Among Newly Entitled Workers: Survey of New Beneficiaries; and Kolodrubetz, Walter W., Characteristics of Workers with Pension Coverage on Longest Job: New Beneficiaries. Social Security Bulletin. November 1971, pp. 3-28.

USE OF BANK CREDIT CARDS GROWS

Bank credit cards are being offered by more and more banks. Between September 1967 and June 1971, the number of banks participating in card plans jumped from 197 to 1,514. During this same period, credit outstanding from bank credit cards soared from \$633 million to \$3.9 billion. The growth in use of bank credit cards has come as consumers have accepted the cards as a "proper" and convenient method of financing purchases.

In 1967, most cards were issued by the large banks--those with deposits of \$1 billion and over. Although these banks still account for the largest share of the market, their proportion has declined as the smaller banks have entered the field. In June 1971, the large banks accounted for about 44 percent of bank credit outstanding--down from about 64 percent in 1967.

Source: Mathis, Marylin G., Boom in Bank Credit Cards, Business Review, Federal Reserve Bank of Philadelphia. February 1972.

THE COST OF TARIFFS TO CONSUMERS

Tariffs account for about 7 percent of the wholesale value of goods imported into this country. As a percentage of retail value, the average tariff may be less than half as high--or about 3 percent. Tariffs on some items are much higher, however. For example, in 1967, a rate of 42.5 percent (on the wholesale value) was charged on certain imported sweaters. Nearly 13.5 million of these sweaters were imported that year. The average consumer generally is not aware of the cost of tariffs because the tariff is paid by the importer and passed along to the consumer in the price of the good. The consumer generally pays more for domestic goods also if there is a tariff that limits the importation of comparable but cheaper foreign goods.

A recent study by the Federal Reserve Bank of Boston indicates that tariffs weigh more heavily on spending by low-income families than on spending by those who are better off. Families with the lowest incomes tend to spend a larger share of their income for "goods" that move in international trade and that are subject to tariffs and a smaller share for "services" that generally do not move in international trade. As income and spending rise, a larger share is spent for services (such as education) and a smaller share for goods. Also, tariff rates frequently decline as the quality of the item rises. Since items of better quality are more often purchased by families with higher incomes, the effect of the tariff is less of a burden on these families.

Source: Fieleke, Norman S., The Cost of Tariffs to Consumers, New England Economic Review, Federal Reserve Bank of Boston. September/October 1971.

PRICE INDEX AND MEDIAN SALES PRICE FOR NEW HOMES

The price index for new one-family houses sold in the United States increased by 23 percent between 1967 and 1971. The increase was the greatest in the Northeast and smallest in the West as shown below:

Price index of new homes					
Year	United States	North-east	North Central	South	West
1967-----	100	100	100	100	100
1968-----	106	109	105	104	103
1969-----	115	118	115	113	111
1970-----	118	124	116	118	114
1971-----	123	130	120	126	117

The regional indexes were issued for the first time in March 1972 by the Bureau of the Census as part of its Price Index of New One-Family Houses Sold. The new indexes will be issued annually and will supplement the U. S. index issued annually and quarterly.

The median price of new one-family homes in the United States was \$25,200 in 1971 compared with \$22,700 in 1967, or 11 percent higher. The increase in median price was highest in the Northeast and lowest in the West.

Median sales price of new homes sold during year					
Year	United States	North-east	North Central	South	West
	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>
1967-----	22,700	25,400	25,100	19,400	24,100
1968-----	24,700	27,700	27,400	21,500	25,100
1969-----	25,600	31,600	27,600	22,800	25,300
1970-----	23,400	30,300	24,400	20,300	24,000
1971 ^{1/} -----	25,200	31,000	27,300	22,500	25,500

^{1/} Preliminary

Movements in the price index may differ greatly from changes in the median sales price of new homes. For example, the U.S. price index for new one-family homes rose by 2.6 percent between 1969 and 1970, while the median sales price declined by 8.6 percent. The price index measures changes in the sales prices of houses

with constant characteristics; houses with the same characteristics cost more in 1970 than in 1969. The median sales price, however, reflects the number of houses sold at each price. The decline in the median sales price between 1969 and 1970 was the result of increased sales of smaller, less expensive homes in 1970. That year, 35 percent of all new one-family homes sold for under \$20,000 compared with the 26 percent sold in that price range in 1969. A shift to larger, more expensive homes in 1971 caused a rise in the median sales price for that year.

Sources: U.S. Department of Commerce, Bureau of the Census, News, March 23, 1972; Construction Reports, New One-Family Homes Sold and for Sale, C25-71-12, p. 21.

SOME NEW USDA PUBLICATIONS

(Please give your ZIP code in your return address when you order these.)

Single copies of the following are available free from the U.S. Department of Agriculture, Washington, D.C. 20250. Please address your request to the office indicated.

From the Office of Information:

- . TREATING FARMSTEAD AND RURAL HOME WATER SYSTEMS. FB 2248.
- . MILK IN FAMILY MEALS: A GUIDE FOR CONSUMERS. HG 127. Revised.
- . COOKING FOR SMALL GROUPS. HG 197.

From Information Division, Agricultural Marketing Service:

- . STANDARDS FOR MEAT AND POULTRY--A CONSUMER REFERENCE LIST.
(Also available in Spanish)

From Information Division, Office of Management Services:

- . IMPACT OF THE EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM
ON LOW-INCOME FAMILIES: AN IN DEPTH ANALYSIS. AER 220.

COST OF FOOD AT HOME

Cost of food at home estimated for food plans at three
cost levels, March 1972, U.S. average 1/

Sex-age groups <u>2/</u>	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate- cost plan	Liberal plan	Low-cost plan	Moderate- cost plan	Liberal plan
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<u>FAMILIES</u>						
Family of 2:						
20 to 35 years <u>3/</u> ----	19.40	24.60	30.50	83.70	107.00	131.80
55 to 75 years <u>3/</u> ----	15.80	20.60	24.80	68.50	89.30	107.70
Family of 4:						
Preschool children <u>4/</u>	28.10	35.70	43.70	121.40	155.20	189.30
School children <u>5/</u> ---	32.60	41.70	51.40	140.90	180.90	222.80
<u>INDIVIDUALS 6/</u>						
Children, under 1 year -	3.70	4.70	5.30	16.10	20.40	22.80
1 to 3 years -----	4.80	6.00	7.20	20.70	26.10	31.30
3 to 6 years -----	5.70	7.30	8.80	24.60	31.80	38.20
6 to 9 years -----	6.90	8.90	11.10	29.90	38.50	48.30
Girls, 9 to 12 years ---	7.90	10.20	12.00	34.10	44.20	52.00
12 to 15 years -----	8.70	11.30	13.70	37.50	49.00	59.60
15 to 20 years -----	8.90	11.20	13.40	38.40	48.70	58.10
Boys, 9 to 12 years ----	8.10	10.40	12.60	34.90	45.10	54.70
12 to 15 years -----	9.40	12.50	14.90	40.80	54.00	64.50
15 to 20 years -----	10.90	13.90	16.80	47.20	60.10	72.80
Women, 20 to 35 years --	8.20	10.40	12.60	35.30	45.20	54.60
35 to 55 years -----	7.80	10.00	12.10	33.90	43.50	52.60
55 to 75 years -----	6.60	8.60	10.30	28.70	37.40	44.80
75 years and over ----	6.00	7.70	9.40	26.00	33.20	40.80
Pregnant -----	9.70	12.20	14.40	42.00	52.70	62.50
Nursing -----	11.20	14.00	16.40	48.70	60.60	71.10
Men, 20 to 35 years ----	9.40	12.00	15.10	40.80	52.10	65.20
35 to 55 years -----	8.70	11.20	13.70	37.90	48.40	59.40
55 to 75 years -----	7.80	10.10	12.20	33.60	43.80	53.10
75 years and over ----	7.20	9.70	11.80	31.40	42.20	51.10

1/ Estimates computed from quantities in food plans published in Family Economics Review, October 1964. Costs of the plans were first estimated by using average price per pound of each food group paid by urban survey families at 3 income levels in 1965. These prices were adjusted to current levels by use of Retail Food Prices by Cities, released by the Bureau of Labor Statistics.

2/ Persons of the first age listed up to but not including the second age.

3/ 10 percent added for family size adjustment.

4/ Man and woman, 20 to 35 years; children 1 to 3 and 3 to 6 years.

5/ Man and woman, 20 to 35 years; child 6 to 9; and boy 9 to 12 years.

6/ Costs given for persons in families of 4. For other size families, adjust thus: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5-person, subtract 5 percent; 6-or-more-person, subtract 10 percent.

CONSUMER PRICES
Consumer Price Index for Urban Wage Earners and Clerical Workers
(1967 = 100)

Group	April 1972	March 1972	Feb. 1972	April 1971
All items -----	124.3	124.0	123.8	120.2
Food -----	122.4	122.4	122.2	117.8
Food at home -----	120.4	120.6	120.5	116.1
Food away from home -----	130.0	129.4	128.9	124.8
Housing -----	128.2	127.9	127.6	122.5
Shelter -----	133.0	132.7	132.5	126.5
Rent -----	118.1	117.7	117.5	114.4
Homeownership -----	138.5	138.2	138.0	130.9
Fuel and utilities -----	119.9	119.6	119.3	114.1
Fuel oil and coal -----	118.6	118.7	118.7	117.3
Gas and electricity -----	120.2	119.7	119.4	113.9
Household furnishings and operation --	120.5	120.1	119.6	117.0
Apparel and upkeep -----	121.8	121.3	120.7	119.1
Men's and boys' -----	121.9	120.3	119.7	120.3
Women's and girls' -----	122.3	122.5	121.7	118.7
Footwear -----	124.1	123.5	122.7	121.1
Transportation -----	118.6	118.4	118.3	118.1
Private -----	116.1	115.9	115.7	116.2
Public -----	142.7	142.3	143.5	136.4
Health and recreation -----	125.5	125.0	124.7	121.2
Medical care -----	131.7	131.4	131.0	127.5
Personal care -----	119.1	118.7	118.4	116.3
Reading and recreation -----	122.3	121.7	121.5	118.4
Other goods and services -----	125.1	124.6	124.3	119.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Index of Prices Paid by Farmers for Family Living Items
(1967 = 100)

Item	May 1972	April 1972	March 1972	Feb. 1972	Jan. 1972	Dec. 1971	May 1971
All items -----	124	123	123	123	121	121	118
Food and tobacco -----	-	-	119	-	-	117	-
Clothing -----	-	-	131	-	-	129	-
Household operation -----	-	-	120	-	-	118	-
Household furnishings ----	-	-	117	-	-	115	-
Building materials, house	-	-	131	-	-	128	-

Source: U.S. Department of Agriculture, Statistical Reporting Service.